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## Agricultural Cash Rents

- Cash rents for agricultural land were generally higher in 1996 than in 1995.
- Cash rents in 1996 were highest for irrigated cropland, averaging more than \$110 per acre in California, Nebraska, Idaho, Washington, and Oregon.
- Pastures cash rents averaged the highest in Wisconsin at \$40 per acre.

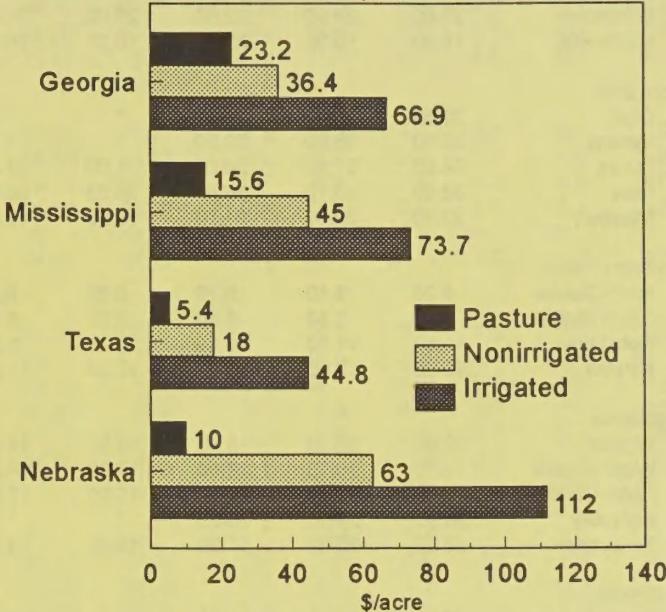
Cash rents largely reflect the agricultural income-earning capacity of farmland more so than do land values, which are influenced by non-agricultural factors such as urbanization and recreation. Because of the close link to agricultural income, cash rents vary widely across the country and tend to be higher in States and regions where higher-valued crops are grown and for irrigated land than for nonirrigated land and pasture (tables 1 and 2 and figure).

USDA's June Agricultural Survey (conducted annually by the National Agricultural Statistics Service) collects data on cash rents for irrigated and nonirrigated cropland in 21 States, for cropland (primarily nonirrigated) in 27 States, and for pasture in 48 States. Estimates are not prepared for every State and for every type of cash-rented land. Of the more than 968 million acres of U.S. farmland, 30 percent is cash rented. Further, the mix of owned land, cash-rented land, and share-rented land varies by region of the country, commodity specialization, and land use. In some areas of the country, the extent of cash renting for a particular land use (e.g., nonirrigated cropland) is too small to generate a sufficient number of observations to prepare statistically reliable estimates.

During 1996, average cash rents were highest for irrigated land in California at \$210 per acre (table 2). Cash rents for irrigated cropland in Idaho, Nebraska, Oregon, and Washington averaged above \$110 per acre. Illinois and Iowa reported cropland (primarily nonirrigated) rents averaging \$106 and \$105 per acre, while Indiana, Ohio, and Minnesota all reported cropland cash rents above \$70 per acre. At \$40 per acre, Wisconsin had the highest cash rental rate for pasture.

Most States reported higher rents in 1996 than in 1995. Several States in the Southeast and Appalachia had double-digit percentage

### Cash rents by farmland type, selected States, 1996



Source: USDA, ERS, June Agricultural Survey data.

increases in cropland rents, but South Carolina's cropland cash rents were essentially flat. Nebraska and Montana both reported cash rent increases for nonirrigated cropland of 10 percent or more. In the Lake States and Corn Belt, all States (except Missouri) recorded cropland rent increases in the range of 5-7 percent. Cash rents for pasture in 1996 were consistently higher than 1995 in the Corn Belt and Northern Plains States, but the direction of change was mixed in other regions (table 1). For several States, 1996 increases in cash rents for pasture exceeded 20 percent.

Rent-to-value ratios (tables 1 and 2) are often used as indicators of rates of return to farmland. For cropland, irrigated cropland, and nonirrigated cropland, 1996 rent-to-value ratios were generally lower than in 1995. For pasture, the trends were mixed.

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### About AREI UPDATES

**AREI UPDATES** is a periodic series that supplements and updates information in **Agricultural Resources and Environmental Indicators (AREI)**, USDA, ERS, AH-705, Dec. 1994. **UPDATES** report recent data from surveys of farm operators and others knowledgeable about changing agricultural resource use and conditions, with only minimal interpretation or analysis. Please contact the individual listed at the end of the text for additional information about the data in this **UPDATE**. If you would like to be added to the mailing list or have other questions about **AREI UPDATES** or **AREI**, contact Richard Magleby, (202) 219-0436. [rmagleby@econ.ag.gov]. **AREI UPDATES** are available on the ERS web site—<http://www.econ.ag.gov/Briefing/arei/arei.htm>—and on AutoFax (202) 219-1107 (wait until voice prompt gives all options, then press 4; when prompted again, enter 20200 and 20300 to get listings of available issues for 1996 and 1997).

Table 1—Pasture rented for cash: Average gross cash rent per acre and rent as a percent of value, selected States, 1992-96

State	Rent per acre						Rent to value <sup>1</sup>					
	ALVS <sup>2</sup> 1992	ALVS 1993	ALVS 1994	JAS <sup>3</sup> 1994	JAS 1995	JAS 1996	ALVS 1992	ALVS 1993	ALVS 1994	JAS 1994	JAS 1995	JAS 1996
	Dollars						Percent					
Northeast:												
New England <sup>4</sup>	na	na	na	20.60	20.90	*	na	na	na	1.1	1.1	*
New York	19.90	17.00	17.60	14.70	14.50	14.50	4.2	2.2	2.8	2.3	2.7	2.2
New Jersey	*	27.10	*	*	*	*	*	0.5	*	*	*	*
Pennsylvania	21.80	25.40	20.70	20.70	29.80	37.00	1.5	2.0	1.1	2.1	1.9	2.3
Maryland	31.90	31.50	32.40	33.50	*	*	2.1	2.5	1.3	1.4	*	*
Lake States:												
Michigan	19.60	21.50	22.10	*	*	*	4.2	4.2	3.5	*	*	*
Wisconsin	25.60	24.90	22.50	25.50	31.40	40.00	7.6	7.2	6.6	4.3	5.8	5.8
Minnesota	18.60	19.60	22.30	16.20	16.50	16.00	6.3	5.7	7.5	5.3	5.1	4.8
Corn Belt:												
Ohio	26.50	25.60	25.50	*	*	*	4.3	3.4	3.3	*	*	*
Indiana	35.00	35.90	32.90	*	*	*	6.1	5.7	4.5	*	*	*
Illinois	34.90	31.80	34.60	31.00	27.65	29.40	5.6	5.2	5.2	5.6	4.0	4.1
Iowa	33.60	36.10	36.40	26.35	28.05	28.90	7.3	7.0	7.2	5.5	6.2	5.0
Missouri	23.70	22.60	24.70	18.50	16.40	20.00	5.4	4.7	5.1	2.6	2.7	2.8
Northern Plains:												
North Dakota	9.20	9.10	9.70	8.30	8.00	8.50	7.1	6.8	6.7	5.9	4.9	6.3
South Dakota	8.20	7.80	8.90	9.70	8.50	9.10	7.4	6.3	6.8	6.0	5.5	6.5
Nebraska	11.80	11.30	11.10	10.20	9.20	10.00	7.4	6.9	5.9	6.1	5.4	5.8
Kansas	12.00	12.80	12.80	12.20	11.70	11.90	5.0	5.1	4.8	3.7	4.1	3.8
Appalachia:												
Virginia	22.60	20.20	19.40	14.80	14.00 <sup>b</sup>	13.80	2.2	1.9	1.7	1.2	1.1 <sup>b</sup>	.7
West Virginia	14.70	16.70	17.60	17.00	14.00	*	1.9	1.9	3.3	3.0	2.2	*
North Carolina	21.30	23.20	23.00	16.90	17.00 <sup>b</sup>	22.20	2.1	1.8	1.9	0.9	1.0 <sup>b</sup>	1.1
Kentucky	25.90	24.50	26.20	*	*	*	3.3	3.3	3.3	*	*	*
Tennessee	23.50	25.80	31.90	15.20	14.30	13.50	2.9	3.3	4.4	0.8	0.7	.8
Southeast:												
South Carolina	15.30	16.40	18.80	*	16.11	*	2.2	1.8	2.2	*	1.7	*
Georgia	19.70	21.10	23.00	20.00	19.20	23.20	2.6	2.2	2.3	1.4	1.4	1.9
Florida	21.40	21.00	17.00	17.00	19.50	17.40	0.8	0.8	1.2	.7	.8	.6
Alabama	18.80	19.40	19.10	13.10	12.50	15.80	3.2	3.6	3.1	2.4	2.0	1.9
Delta States:												
Mississippi	14.90	15.00	14.90	15.90	13.00	15.60	3.4	3.1	2.8	2.5	2.0	2.6
Arkansas	18.60	19.90	18.00	20.90	15.60	*	4.0	4.9	3.5	2.0	1.2	*
Louisiana	17.20	14.50	15.60	13.00	12.60	12.60	2.7	2.1	2.3	0.9	0.8	.7
Southern Plains:												
Oklahoma	10.20	9.40	9.60	9.40	9.20	8.00	3.4	3.0	3.1	3.2	3.1	3.3
Texas	6.90	7.00	7.30	5.00	4.80	5.40	1.8	1.6	1.5	1.2	1.4	1.1
Mountain <sup>5</sup> :												
Montana	6.60	8.10	6.20	5.50	5.10	7.20	5.5	5.8	4.7	4.7	3.9	4.3
Idaho	26.50	19.10	23.10	28.20	29.30	*	6.1	6.3	5.7	4.9	4.5	*
Wyoming	3.60	4.20	5.80	3.10	3.50	*	3.6	3.8	3.9	2.5	2.9	*
Colorado	6.80	10.90	11.50	*	*	*	3.2	5.1	5.3	*	*	*
New Mexico	na	na	na	1.60	1.80	*	na	na	na	1.5	1.5	*
Utah	25.70	23.00	20.90	16.30	13.70	*	3.5	3.2	1.9	0.9	0.7	*
Pacific:												
Washington	21.90	29.80	25.10	*	*	*	4.0	4.2	3.1	*	*	*
Oregon	22.60	25.40	21.50	*	*	*	4.0	6.0	6.8	*	*	*
California	37.90	34.20	44.90	26.90	39.30	*	2.2	1.8	1.6	1.6	2.5	*

\* = Insufficient information. na = data not available. <sup>1</sup>Cash rent as a percent of per acre value of rented pasture. <sup>2</sup>ALVS is "Agricultural Land Values Survey," <sup>3</sup>JAS is "June Agricultural Survey." <sup>4</sup>Combines 6 States. <sup>5</sup>Insufficient data gathered to estimate rents for Arizona and Nevada. <sup>b</sup>Revision of previously published estimate.

Source: USDA, ERS, based on ALVS and JAS data.

Table 2—Cropland rented for cash: Average gross cash rent per acre and rent as a percent of value, selected States, 1992-96

State and land type <sup>2</sup>	Rent per acre						Rent to value <sup>1</sup>					
	ALVS <sup>3</sup> 1992	ALVS 1993	ALVS 1994	JAS <sup>4</sup> 1994	JAS 1995	JAS 1996	ALVS 1992	ALVS 1993	ALVS 1994	JAS 1994	JAS 1995	JAS 1996
	Dollars						Percent					
Northeast:												
New England <sup>5</sup>	na	na	na	31.50	35.20	30.70	na	na	na	.7	.7	1.0
New York	36.20	34.90	38.20	25.10	25.10	29.00	4.5	3.9	3.8	2.4	2.2	2.9
New Jersey	52.00	50.60	71.10	42.90	45.40	44.80	0.5	0.8	1.3	0.4	.6	.4
Pennsylvania	42.40	44.10	41.90	37.70	38.80	38.50	1.8	2.0	1.5	1.4	1.5	1.3
Delaware	62.30	57.90	59.80	54.90	61.10	64.30	3.3	2.6	2.8	2.4	2.5	2.7
Maryland	*	55.40	60.80	41.40	44.70	48.00	*	2.3	2.2	1.3	1.6	1.6
Lake States:												
Michigan	47.40	45.60	49.00	48.00	49.70	52.20	6.2	5.7	5.5	4.8	4.9	4.3
Wisconsin	51.40	52.50	51.20	48.70	46.20	48.50	7.3	6.9	6.8	5.6	4.9	4.6
Minnesota	62.30	64.20	61.90	66.00	70.10	73.80	7.6	7.6	7.9	6.8	6.5	6.4
Corn Belt:												
Ohio	70.20	68.50	70.50	64.50	67.10	70.80	5.6	5.5	4.7	3.8	3.5	2.7
Indiana	85.70	88.30	90.40	83.40	88.40	94.80	7.5	6.8	6.3	5.7	5.6	5.2
Illinois	103.30	102.90	107.30	99.50	99.70	106.00	6.5	6.3	5.5	4.2	4.9	4.6
Iowa	104.60	108.00	107.00	98.60	99.60	105.00	8.0	7.9	7.4	6.5	6.3	5.8
Missouri	-All cropland	58.20	64.10	64.80	na	na	8.0	8.9	8.6	na	na	na
	-Nonirrigated	na	na	na	55.10	51.10	47.10	na	na	4.2	4.2	3.8
Northern Plains:												
N. Dakota	29.10	31.30	31.90	32.90	33.10	34.00	8.7	8.5	8.2	7.0	7.1	7.2
S. Dakota	-All cropland	30.40	30.50	32.20	na	na	8.3	8.0	8.2	na	na	na
	-Nonirrigated	na	na	na	30.00	30.20	31.90	na	na	6.6	6.9	6.9
Nebraska	-Nonirrigated	49.60	50.30	50.30	56.70	57.20	63.00	8.6	8.6	8.3	8.2	7.7
	-Irrigated	102.80	102.20	106.80	108.40	111.10	112.00	9.5	9.3	9.3	8.5	8.4
Kansas	-Nonirrigated	31.90	32.80	34.70	32.60	35.50	32.70	7.2	7.4	7.3	6.5	5.9
	-Irrigated	62.70	65.10	72.50	*	*	*	9.5	9.3	10.1	*	*
Appalachia:												
Virginia	34.40	33.80	37.40	35.80	35.70	37.70	2.1	2.4	2.4	2.2	1.9	2.0
West Virginia	30.40	30.10	36.90	31.00	30.00	32.00	3.4	3.5	4.3	2.7	2.3	2.1
North Carolina	37.70	41.00	38.10	32.50	33.60	39.00	2.8	2.8	2.5	2.2	2.0	2.2
Kentucky	52.60	55.30	59.00	49.10	52.80	64.00	5.4	5.2	5.7	4.4	3.8	4.9
Tennessee	48.80	50.20	49.50	46.70	43.00	48.30	5.1	4.8	5.8	3.6	3.1	3.0
Southeast:												
S. Carolina	21.70	22.50	23.40	23.90	23.50	23.80	2.5	2.8	2.6	2.6	2.5	2.5
Georgia	-All cropland	29.70	30.50	32.00	na	na	3.5	3.2	3.5	na	na	na
	-Nonirrigated	na	na	na	28.70	32.90	36.40	na	na	3.9	4.2	4.4
	-Irrigated	na	na	na	56.10	60.80	66.90	na	na	5.3	6.1	5.2
Florida	-All cropland	101.50	95.70	73.10	na	na	na	3.0	3.5	1.9	na	na
	-Nonirrigated	na	na	na	20.80	22.50	30.00	na	na	2.0	2.8	2.8
	-Irrigated	na	na	na	136.30	183.50	*	na	na	1.8	1.7	*
Alabama	28.10	30.70	36.50	31.60	36.20	42.20	4.1	4.3	4.8	2.8	3.4	4.0
Delta States:												
Mississippi-All cropland	40.80	39.60	44.00	na	na	na	6.7	6.4	6.7	na	na	na
	-Nonirrigated	na	na	na	44.30	41.60	45.00	na	na	5.7	5.5	5.4
	-Irrigated	na	na	na	59.90	70.00	73.70	na	na	6.6	7.3	7.9
Arkansas	-All cropland	48.00	50.10	50.70	na	na	na	7.3	7.2	6.3	na	na
	-Nonirrigated	na	na	na	46.90	48.40	48.80	na	na	6.5	6.8	5.6
	-Irrigated	na	na	na	68.10	58.70	*	na	na	6.8	6.4	*
Louisiana	-All cropland	48.30	46.80	48.30	na	na	na	6.1	5.6	6.0	na	na
	-Nonirrigated	na	na	na	47.90	55.30	55.60	na	na	5.9	5.7	5.7
	-Irrigated	na	na	na	78.90	77.60	65.30	na	na	8.9	8.2	6.9
Southern Plains:												
Oklahoma	-Nonirrigated	26.10	26.20	25.20	25.50	25.10	25.60	5.6	5.5	5.1	4.5	4.0
	-Irrigated	39.10	39.10	41.70	*	*	*	5.9	6.4	6.9	*	*
Texas	-Nonirrigated	20.00	20.60	20.20	17.60	17.00	18.00	3.3	3.5	3.2	2.6	2.1
	-Irrigated	45.30	49.40	44.90	58.50	53.80	44.80	7.3	7.6	6.3	5.7	5.6

- Continued -

Table 2—Cropland rented for cash: Average gross cash rent per acre and rent as a percent of value, selected States, 1992-96—continued

State and land type <sup>2</sup>	Rent per acre						Rent to value <sup>1</sup>					
	ALVS <sup>3</sup>		ALVS		JAS <sup>4</sup>		ALVS		ALVS		JAS	
	1992	1993	1994	1994	1995	1996	1992	1993	1994	1994	1995	1996
Dollars							Percent					
Mountain:												
Montana	-Nonirrigated	19.80	21.00	24.10	15.20	15.30	19.00	8.3	7.8	8.4	5.1	5.1
	-Irrigated	50.60	54.80	49.70	*	*	*	5.0	5.5	7.3	*	*
Idaho	-Nonirrigated	33.90	34.30	47.80	*	*	44.10	5.6	6.4	7.6	*	*
	-Irrigated	114.30	100.50	126.60	99.50	112.30	113.00	9.9	7.1	8.9	6.9	7.4
Wyoming	-Nonirrigated	9.60	13.40	16.10	*	*	*	5.7	6.7	6.3	*	*
	-Irrigated	49.40	54.00	51.20	*	*	*	8.7	8.2	7.7	*	*
Colorado	-Nonirrigated	20.40	24.80	28.80	*	*	*	5.6	7.6	8.8	*	*
	-Irrigated	72.70	76.20	75.50	*	*	*	7.2	7.1	7.8	*	*
New Mexico	-Irrigated	87.70	80.40	88.90	77.70	88.00	*	2.6	2.5	1.8	4.2	4.6
Arizona	-All cropland	na	na	na	80.60	87.40	94.60	na	na	na	3.0	2.8
	-Irrigated	128.10	136.70	150.10	na	na	na	3.8	3.6	3.0	na	na
Utah	-Nonirrigated	30.50	26.30	28.20	*	*	*	3.8	3.3	3.6	*	*
	-Irrigated	57.60	52.90	54.00	51.40	50.90	60.00	3.4	3.0	2.5	1.5	1.4
Nevada	-Irrigated	92.70	89.10	81.70	*	*	*	4.8	6.2	3.2	*	*
Pacific:												
Washington	-Nonirrigated	49.80	53.40	55.90	69.50	70.80	*	5.5	5.4	6.7	4.1	4.6
	-Irrigated	113.10	124.20	133.20	127.90	137.80	138.00	5.7	6.3	6.1	6.5	7.1
Oregon	-Nonirrigated	58.20	55.50	61.90	59.10	66.00	65.80	6.0	5.6	4.2	4.2	4.6
	-Irrigated	106.70	124.70	135.90	125.50	130.00	115.00	6.1	7.8	7.4	5.2	5.8
California	-Irrigated	179.60	191.50	223.00	176.00	189.60	210.00	3.4	3.6	4.4	4.4	4.6

\* = Insufficient information. na = data not available. <sup>1</sup>Cash rent as a percent of per acre value of rented cropland. <sup>2</sup>Unless otherwise specified as irrigated or nonirrigated, data are for all cropland. <sup>3</sup>ALVS is "Agricultural Land Values Survey." <sup>4</sup>JAS is "June Agricultural Survey." <sup>5</sup>Combines 6 States.

Source: USDA, ERS, based on ALVS and JAS data.

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